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E.O. 12958: DECL: 05/11/2017

TAGS: KNNP KSAC MNUC PARM PREL GM KH

SUBJECT: GERMAN ASSURANCES REGARDING POTENTIAL SALE OF
GERMAN PRINTING PRESS TO DPRK

REF: STATE 61051

Classified By: Minister-Counselor for Economic Affairs Robert F. Cekuta
, for reasons 1.4 (b) and (d).

¶1. (S) Global Affairs Counselor and Global Affairs Officer delivered ref demarche to Michael Findeisen, the German Finance Ministry's Director of the Money Laundering and Terrorist Finance Division, May 11. Findeisen stated there is no/no likelihood of Drent Goebel beginning production at this point of the offset/intaglio press North Korea has sought. He noted North Korea has not paid even the initial deposit that would be necessary before the firm would start production. Findeisen agreed with the importance of continued vigilance against the possibility that the DPRK might try to obtain the printing press through duplicitous methods. He noted a legal agreement exists between the German Government and Drent Goebel that the company will inform the German Ministries of Economy and Foreign Affairs if North Korea approaches it again to resume the order for the printing press. Findeisen said the German Government has the legal authority, using a provision of the Foreign Trade and Payments Act, to prevent Drent Goebel from exporting the printing press to North Korea. Responding to the Global Affairs Counselor's query, Findeisen clarified that the German Government has the authority to block the export through an administrative order. The Foreign Trade and Payments Act is flexible enough, he said, to allow the government to restrict legal transactions and acts in foreign trade to "guarantee the vital security interests of the Federal Republic of Germany," Findeisen added.

¶2. (S) In answer to Global Affairs Counselor's question about North Korea possibly using a middleman or false end user on a new sales contract, Findeisen said that if Drent Goebel begins manufacturing an offset/intaglio press, even for an end user outside the DPRK, the German Government has the authority to investigate the order.

¶3. (S) Findeisen asked whether the USG has considered the possibility that the DPRK Government might use its assets recently unfrozen in Banco Delta of Macao to pay for the printing press, if not from Drent Goebel then from another manufacturer. Findeisen added, however, that even if North Korea were to try that route, Drent Goebel is required to inform the German Government, which would then issue the administrative order necessary to prevent the sale.

TIMKEN JR